

**Inflation Reduction Act Green Financing
Draft Trailer Bill Language
May 19, 2023**

Section 63048.93(f) of the Government Code is amended to add the new subsection below:

(5)(A) The Governor's Office of Business and Economic Development, State Treasurer's Office, State Energy Resources Conservation and Development Commission, California Environmental Protection Agency, California Air Resources Board, California Public Utilities Commission, California Natural Resources Agency, California Department of Conservation, California Department of Resources Recycling and Recovery, and other relevant agencies as determined by these agencies for climate catalyst projects to leverage federal funding available under Section 7434 of Title 42 of the United States Code (the U.S. Environmental Protection Agency's Greenhouse Gas Reduction Fund) and related implementing statutes and regulations, as such may be promulgated or amended from time to time.

(B) Eligible climate catalyst project categories shall include those that support the climate and equity goals in the state's climate change Scoping Plan developed under Health & Safety Code 38561(a).

(C) Adoption of the Climate catalyst financing plan by the bank board shall authorize the bank to provide financial assistance and use all financing authorities provided in this division in its implementation of the financing plan developed under this Section 63048.93(f)(5).

(D) Notwithstanding any other provision of this division, including Section 63048.95(b)(1)(B), the Climate Catalyst Revolving Loan Fund may receive moneys from the federal government, funds sourced from federal appropriations, and may use such funds consistent with this article. IBank shall provide written notice to the Joint Legislative Budget Committee who shall provide a copy of the notice to the relevant policy committees within 10 days of any nonstate funds being deposited in the Climate Catalyst Revolving Loan Fund. The notice shall include the source, purpose, timeliness, and other relevant information as determined by IBank.

Add subdivision (g) to Water Code Section 80720 to read:

(g) For activities undertaken by the department under Chapter 2 (commencing with Section 80710), the department may obtain applicable credits pursuant to the federal Inflation Reduction Act. If the department elects direct payment of tax credits, all payments shall be deposited directly into the fund.

Add subparagraph (A) to paragraph (3) of subdivision (e) of Water Code Section 80400 to read:

(A) Incremental benefits of ownership may include the election by the department of payment of applicable credits pursuant to the federal Inflation Reduction Act. If the department elects direct payment of applicable credits, all payments shall be deposited directly into the [California Water Resources Development Bond Fund].